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1187 - How To Do Your First Airbnb Part 2

Hosted by: Joe McCall

Guest: Jason Centeno

Joe:

Hey. What's going on? This is Joe McCall, Real Estate Investing Mastery Podcast. Today we're doing part two of the interview I started last week with Jason Centeno. I hope I'm pronouncing that right, Jason, but we're going to be talking about more Airbnb. Good stuff. Right? And you might have thought you understood Airbnb and you know how it works. But Jason's got a very unique approach on how to get into it without taking on a ton of risk. Kind of really a good, simple, easy way for beginners to get in on that. And so we're going to be continuing that discussion because, listen, Airbnb is not dead. It's not going anywhere. It's going to be around for a long, long time. And if you want to learn a good way to profit from it, then stay tuned because on this podcast we're going to help you with that. So first of all, though, this podcast is brought to you by yours truly. And if you go to simple land contract dot com, you're going to get this thing right here. This is a one page contract that I have done hundreds and hundreds of thousands of dollars in the last few years in profits on flipping vacant land. And this is a deal that I did with my son. This is not with my son. This deal was with my son, Luke, in Wilkes County, North Carolina, and we made \$11,224 profit on this deal. We bought it for 76. It was a 5.08 acre lot in Wilkes County, North Carolina. We bought it for \$7,600 and sold it for \$19,300 for a profit of \$11,224. With my teenage son. And if you would like this contract for free go to simple land contract dot com and on there you're going to get an invite to watch a class where I teach you how to use this contract. This is another contract we did in Florida in the middle of nowhere. No offense to people who live in the middle of nowhere, Florida, but it is in the middle of nowhere. And this is a deal we bought for \$3700. We're selling it with owner financing. We got about \$1,000 down, \$1,500 dollars down, and we're getting \$250 a month for five years. So we're all in cash of about \$2,200. Where else can you own a debt free asset for only \$2,200? Debt free asset for \$2,500 or so and get \$250 a month cash flow. We're getting over 125% cash on cash return in the first year. And we bought this thing with a text and an electronic signature. We don't even talk to sellers until they get our offer. So I love these kinds of deals and if you want, you can get the contract that we use. It's simple land contract dot com, but you've got to watch the class after that when you go there and I'm gonna teach you how to use that. Okay, cool. Enough of that. I got some more deals here. I love keeping these deals and putting them on my desk so I can talk to people about them when I'm doing things like this. All right. So we've got a good guest here and his name is Jason. Let me unmute Jason. Sorry about that. How are you, man?



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- Jason:** Nah, I'm just messing with you. There's going to be a hype with your intro. I'm like, Oh, I need to start buying land.
- Joe:** You were on the podcast with me a week ago or so and just give everybody quick. You have a resource that's called a free vacation rental software and resource guide at JoeMcCall.com/Centeno. C as in cat.
- Jason:** Yeah just "cent" with an n o at the end, basically.
- Joe:** Very good JoeMcCall.com/Centeno and I'll take you there in a minute and show you kind of what you get. But it's a really cool spreadsheet with a ton of different tools and software that you can use for property management for your Airbnb, pricing tools, cleaning management, market research tools, direct booking websites, smart home tools, accounting tools, insurance background checks, electronic signatures, payment processors and other cool resources like profit calculators. TaskRabbit. Trashmitter. Oh, I've heard of that company before, but yeah, you get the whole thing for free and it's amazing. For free, 100%. No strings attached. [Joe McCall dot com slash Centeno](http://JoeMcCall.com/Centeno). All right, Jason we were talking last time about like somebody new getting started wants to do the Airbnb and maybe doesn't want to go buy a property right away or can't and maybe don't have enough experience yet to take over somebody's property and do it, you know what I mean? So we were talking about going to Facebook groups where you talk about that again and what you were talking about and how do I want to wrap that up in a nice bow?
- Jason:** Yeah. So to reset the whole stage real quick, we're talking about if you were right now, this is the person we're talking about, you might not be this person, somebody with a regular job, 9 to 5, decent money, wife and family, not you know, they listen to bigger pockets. They heard about Airbnb. They, you know, they have a vehicle to get around with and you make, you know, maybe 70 to 80 K a year at an accountant job. So we kind of ran through kind of what a person could do to get started figuring out where they live. And, you know, what flavor of urban do they want to be? You know, do they want to own a property, do rental arbitrage or co-host? In this case, I don't know that we decided, but I'm just going to talk about know if you were there's a way, you know, if you did own a property, there'd be there's kind of a hack you could do. If you don't own a property, there's arbitrage, which is kind of renting one and then getting in which, you know, there's there's risk to that co-host thing is, there's no real risk. You're just kind of working for someone and, you know, whichever one presents itself, you should look into and know about it at least. Right. But for co-hosting, I did caution that you should have some property management skill set before you take that on completely, because it is a lot more hands on low risk, but work, right? So you kind of stop there, the Facebook group. So, you know, they always tell you to



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go out there. You're not, you know, network is your net worth. So the first thing we said was, hey, look around you go through your phone, talk to people who actually already that you know, that are landlords or that no landlords. Right. Because that third party validation from somebody is always going to be better and easier if they trust you, then maybe they can put in a word for you for, say, you know, their uncle, their cousin, somebody who's maybe renting a room even or renting a house. There's an opportunity there for you. So like first look inside of that, right? And then in one step and then the next step out would be you can go to Facebook groups. I would say, you know, go find a local Facebook group. We suggest to some I'm always making more of my anything, you know, Airbnb host of like Philadelphia or Tampa or Florida or, you know, wherever you are, just look that up, find some look that look at for an active community. Start listening and asking questions and seeing what the answers are. The search bars on Facebook groups are amazing when you got to know like regulations and license and, you know, this and that, you know, you can just use the search bar like you wouldn't use Google, but just inside that group and get a lot of answers to your questions so you don't even have to go in there randomly, like, okay, who can help me with this? Who cannot believe that you can literally just use the search bar, find it sound way more intelligent and less thirsty and begging like all the other people to come in there. So use your brain on that so that you look like you're at least halfway a professional and not just coming in and muddying up the water, so to speak, because, you know, it's Airbnb. Wherever there's opportunities is, it gets crowded. You kind of want to set yourself apart, right? So do that. And then there's also physical meet ups you could probably go to if you could tap into them for those, I would say even regular real estate meetups, you can find landlords who might want to take a chance on you, but like that's harder to break through because they're just meeting you. But at least if they see your face, they can tell a little bit more about you. So I would use those kind of three things. First, your network, then kind of spread out and get known in a Facebook group, offer yourself to people say, Hey, I want to learn the business. Who can I co-host for a tap in? You know, just like let's say you don't have anything to play with yet. This will teach you how to play with other people's money first. So that's a low risk way of doing it. So that that's kind of where we left off. Right. Okay. So, so that now you're in the game, you're swimming in the water, you're seeing who's around you. You start to learn the local market every day. You're catching, you know, Google alerts for or talkwalker alerts for certain things you want to know that gets you sort of like I said, now you have you have some information. Now you're in the networking. Great. And the internal sort of network that you have. Now, I'm going to tell you a hack that I heard about. Let's pretend that your wife is on board with this. And you kids, I want you to I want you to imagine this, right? You could do this to your own personal residence and it's even a little bit easier, just as a test on weekends, call it an adventure. And you could say to your family, listen, let's go this weekend and stay at grandma's house or your aunt's house or something as go away for



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three days on a weekend family trip. But make it so that like you put your house on Airbnb for the weekend, you there's a lot of things that benefits you can happen for this. Of course there's control issues, but it teaches you a lot how to set up your house, put things away, keep your house clean, make, you know, pretty pictures of you have all these things. So and if you if you have a messy life like mine, you can kind of convince her to put things away, get rid of junk right in your house. Your house looks. You know, if you had to sell it really quick, your house looks great. It's an investment. Right? So I've heard of people starting out by simply doing stuff like that. Or even if you're a single guy, you can go camp out on your buddies couch for the weekend and rent your own place. And that is so that will teach you so much about like, you know, let's stay close by because maybe you're worried or, you know, you have control issues, but, you know, it'll teach you about how to set up the smart locks, where to put the cameras outside, obviously, how to like set up your house, how to keep, you know, update your house. And the benefits you get from this is now that you know this so intimately, because you've been taking a chance, you can literally just. Rent your house every other weekend on the weekends. Like, let's say there's like, you know, they're going to do the World Series in Philly, but they, you know, that just passed.

Joe: Sorry about the Phillies, by the way.

Jason: You don't have to complain. You don't have to have to cry. Well, whatever. So anyway.

Joe: They made it there. I mean, that's amazing.

Jason: Yeah, yeah, yeah. It's that whole.

Joe: All right, we'll, change the subject.

Jason: I mean, I'm not I'm not that crazy into sports anyway, so I'm not that hurt by it, but it does suck. Anyway, back on track. This is a good way for you to learn from the inside. Let's say you don't get these opportunities. I always hear people complaining, going to site, you know, nobody will let me rent from them. They don't know you, right? Like you don't. You're not speaking their language. You just have. Do something for me like you don't have intimate knowledge yet. This is a good way for you to get intimate knowledge and test thousands more and find out all the various things can go. And if you want to be a really good co-host or a manager or arbitrage person. Wouldn't it be nice to know like, hey, you know, you know, the water pressure in your house, somebody might complain about that. So how do you fix that? There's all sorts of things are going to present themselves, A and B, you're going to invest in an Airbnb any way. Like you're going to have to buy towels, sheets,



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stuff, so why not? You get the benefit of that too, right? Like literally you can just make that out of your house. And I know people have done this, they've started out that way, and then they just kind of started to build from there. So don't ever count that part out, especially if you have a family and you're willing to do, like I said, an adventure. Go stay over your family's house, take a little weekend vacation. It gets subsidized. Maybe they get subsidized by the Airbnb income. I don't know. But don't be afraid to like think that small to go big because you know, it's there for you. You have it at your you have it at your fingertips and you control all of that. So that would be one place you could really just get your toe in, right? The next would be kind of finding a place to rent or arbitrage. That could be, like I said, the friends and family like, you know, imagine this. Hey, I'm running on my house on Airbnb in a weekend. Oh, that's cool. Well, guess what? Now that you're successful at it for two months, people are asking you, Well, my buddy over here has got a house. Maybe he'll do it. Now, you look like the expert because you're the only one doing it, right? So this is how this is how it comes together, right? So then, you know, being, you know, the idea of being a bird dog, now that you know what you're doing, let's say you implemented that. And four months later, it's going well. Now you have your first one. You could conceivably become a bird dog for a real estate investors. Right. Like say you're out there looking for places to rent, kind of like when you do house, what do you call it? Driving for dollars, right. Looking for rentals. Right. And what can you do with those leads? Well, they could be your lead a foot in the right area that you want to Airbnb. Let's say they don't want to do that for you. Well, there's also investors out there looking to buy rentals, too, to just straight up buy it. And if you become the go between for that, you might interest the investor to buy that particular probably get a bird dog fee and then say, hey, can I be your renter? I found you this. Now they already know who you are. They give you a shot. So you see how you start to put these puzzle pieces together of all these skill sets that you get from being a regular real estate investor and turn them into this, you know, this little gumbo jambalaya of skills that people are looking for when you're, you know, in the short term rental business. So that's another kind of tip, I would say. You want to you want to figure out a niche, right? So for people who are skittish about like they think they're going to put it on an Airbnb and like people are just going to come, oh, I know it doesn't really work that way. Just like it doesn't work that way in real estate. I'm a real estate investor. Okay. What do you specialize in? Oh, I buy real estate. Come on. Are you a wholesaler you don't subject to? Are you a land guy? Like, what is your strength? Because nobody's good at everything. Like the guy doing my roof is not going to do my concrete. Like there's no we don't trust that. We don't trust that jack of all trades. We need the needs person. So some of the niches that you might want to buckle down or like especially if you're near a hospital, travel nurses. Right. Like they're a solid, they're solid like the industry kind of change. But if you want like some kind of middle ground where you don't want to have a permanent renter in your house. But let's say, you know, you have a room travel nurses are good and



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they need they have basic needs and, you know, they need quiet at certain times. But that might be a whole thing, especially if you have like a garage or some place a little bit separated from house. They're usually three month stints. So the beauty of that is you don't have the same regulations because most short term rental regulations is they pack a lot of regulations on you, but anything over 30, 31 days or 28 days in some places is considered longer term. But travel nurses, obviously, they travel. So you have to worry about people squatting or anything like that. They simply come in for like three months. And you just need a they need a furnished place to stay and they pay above normal rent. And you're doing a service. So a niece like that, a lot of people go into that, but there's other ones like that. Around schools, there might be a place for like adjunct professors or trash or students or. What do you call it? People doing master's degrees, right? Like they travel to places, you know, college universities, but they don't want to live on campus. They don't want to live with other students and have that noise. They need a quiet place away. So you could go after just educators and stuff like that and put your stuff in a local college and, you know, have a place to rent with the intent of only renting short term and you'll get people for a semester. So five, six months, right. And you know that. So these are bigger opportunities, but you kind of got to think and say, well, who's not doing that? Who who's not there for those guys? And that means long term rental is is a way sweeter deal usually than short term, which is a lot more work and long term, which is not a lot of work. But then you have the capacity to get a house ruined in two years. So there's even a lot of pick your pick your pick your poison, as they say.

Joe: Oh, let me ask you some questions about that. Like, this seems to me from what I read in the newspaper online in the news, is that more and more communities are like cracking down on Airbnbs, whether it's city councils or just highways and stuff like that. What are you seeing, for example, in Philadelphia with restrictions coming in?

Jason: Yeah, yeah. So in Philly we actually have a fight going on and there's a Facebook group called Sharing Philadelphia specifically for that. They fight where we you know, we basically have a political lobbyist working on our behalf to fight the current regulations because they're it's a big catch 22. They make you have multiple different things and then they make it confusing. And, you know, you got to pay a lawyer half the time just to wade through it. But the people that have the least problem are the people that actually live in the property. So it's a shared space. And that's kind of why I was trying to double down on that idea of shared space, because if you're doing something under your own roof, you have way more freedom to operate outside the short term rental regulations than anybody coming into this being like, I'm a real estate investor, I'm going to get 40 of these things. Well, no, first of all, you're in the hospitality business now, so it's not a real estate investor state of mind where I'm just going to automate everything and people are going to run it



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for me. Doesn't work that way. In reality, you got to fake hospitality hotels and they operate differently. But if you're going small and want to put your toe in the water, I would start with a basement, a garage, a mother in law, three something under your own roof, because all those rules are a little bit different for you and you can kind of start most of that drama in the beginning to figure out if you even want to continue down that path versus go all end, spend 10, 15 grand to set up a place and find out they changed the regulations six months later because they can do that. That was like my mic drop. Yeah.

Joe: Well, so is that is that happening more and more? Are there still communities where it doesn't matter? You can still do Airbnb without restrictions.

Jason: Yeah. I mean, there's going to there's places like Florida, you can't you can't because it's like a vacation rental market. Like they try locally to do it, but it kind of gets smacked back into their, you know, their laps and beach towns and stuff like that. They already stuff there's already stuff set up to kind of fight that. It's just that word Airbnb triggers people, so you kind of want to stay away from it. That's why they say short term or vacation rentals. It has a little bit less of a stigma because, you know, long story short, Airbnb's not the greatest name for a lot of the issues they do. Not that they're bad. It's just like, you know, everybody has their opinion of how it works, whether they're, you know, if they've enjoyed it where or whether they are hosts or whether they just the neighbor down the block and they happen to catch a bad party. We have bad actors everywhere, but they kind of, you know, everybody has a point, a finger. So the big bad right now is Airbnb. And of course, you know, your job is to avoid that. The thought of the prejudice that comes with the Airbnb and do things for your neighborhood that gets you out of that. Because a lot of times when they do these regulations, you're going to you can get things changed, but your neighbors get to vote on it. So if you're not a good neighbor, if you're not making every attempt to fix a problem, you're taking yourself and everybody down with you. So these Facebook groups also help self-police a little bit like they advise they tell you like ours. They like though they'll if they hear about a party going on and they can kind of identify these I heard a story where this guy this somebody announced the party happening. Somebody Googled the hosts, kind of figured out who they were and reached them on Facebook and shut down a party from another state because they were trying to look out for that host because they know that if it was them, they would want to shut it down, too. So the host will self-police good hosts. But again, everywhere there's, you know, 20% bad actors. It's in real estate, it's in every industry. And, you know, we only hear about on the news that 2015, 20% and not the rest that are doing right. So I don't want to take you too far down that track, but regulations are going to pop up. When you go medium term, you sort of take yourself out of the Regulation Rome. And what I mean is anything over 30 days. But that sweet spot is like one month to six month rentals, because you can maybe you have a



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little gap here and there, but you got better than average money and you don't have the same issues as you will with regular tenants because they don't move a bunch of stuff in there because they don't expect to be staying long. They have another house to go back to. Right. So they really don't bring a lot of baggage with them. And one of the beautiful, beautiful things about it is if you have properties that don't have a lot of they don't have a pool or they don't have a big yard or all these things that people want to live in long term, those are also high maintenance. So me, I used to pick stuff with concrete yards, very little maintenance or anything that outside kind of stuff that you would need to do. Like I was just looking for stuff that had none of that, right, because that's just more I got to put out there. But people passing through do not care about that stuff that much, right? So that was just me. That was my way of doing things. As a real estate investor, I'm like, how do I minimize expenses? That was some of the ways, right? So, you know, if you're if you're lucky, your knees down and it's not that hard, you just kind of kind commit to it. There's all kinds of niches. I won't go into all of them. I say travel and travel, nurses, doctors and students. There's medical travelers, like if you're around hospitals, again, cancer centers, stuff like that. People want to stay near their family, but the hotels are too far away. You can just you can double down on that and just focus on people and helping families in that capacity. There's all kinds of things you just got to decide and then stick to that game plan for a while so that after six months a year, you become the de person that everybody knows that does that. And they always come to you first, you know, at the market anymore. You don't even have to be on Airbnb and more and go to all these, you know, all the regulation stuff because you got your own customers coming in. You don't the rules don't apply to you anymore and you live in nice so that it takes discipline to do that. So. If you're lucky, you find a landlord out there with multiple properties willing to give you a shot. That's, you know, an ideal outcome. I mean, let me talk about like furnishings because. Yeah, okay. That's going to always be like, how do we. Well, some ways to do this, you know, you can do the IKEA thing and people go to Facebook groups. There's a lot of ways, to be honest. We do the Facebook groups sometimes people want to shut their units down and they go on fire shells. They're like, Hey, I got a bunch of stuff, sister, who wants it, and you get some deals from that. So like, you could just walk into another deal. Another thing about the Facebook groups, too, is sometimes people were like, I want I want. I got to move. I got to get out of this market. I'm whatever job who wants to buy a fully furnished unit and take over the lease? Sometimes you just jump right into one of those. I mean, there's all these things. But let's say that's not you. It doesn't happen that way. You know, you could put together something from, you know, probably stuff in your garage and people, you know, kind of decent and then just buy a couple of things and find some colors to tie them all together. I think bright yellows, yellows, greens and blues as a them accent. And then, you know, you could just go with the grays and browns after they usually tie things together. You just kind of got to decide, Hey, what's my pop color going to be and



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what's my two other colors? I favored, like gray, navy, blue, and it could be a it's like a sea moss green or like a goldenrod yellow. And then I kind of just went off with a theme and then I just kind of replicated that. But you can start with something like that. You got the Facebook marketplace, you got the buy sell groups, Craigslist free stuff, Salvation Army Corps or Rent-A-Center Core is like a corporate rental, sort of like they'll rent you furniture. Only problem with them is I think they lock you into a year kind of contract. But if you need a knock out a place quick like two or three bedrooms, you can get something from Corp probably in the 5 to \$600 range a month. Remember that's eating up your profits more overhead, but at least you don't have to go out there and spend five grand right away. Right. So there's that. But yeah, Rent-A-Center, you can do a similar thing. Like I said, take some pieces, rent part of it. The good thing about core and I don't know why Rent-A-Center but court will replace anything broken like this is you don't have to pay for that. So if you think tenants are going to be wow students breaking stuff maybe court because they'll come and replace you right back out which is cool because you took these nice pictures from Airbnb, you know, and a person coming in and that's a different sofa. Give me my money back because they'll do something else like that. So that was a way to furnish quickly and easily, you know, some of these rental places or put it together from, you know, Marketplace and some other places and, you know, you can get away with because the Airbnb, you can get away with mismatching a couple of things, but you can tie together with, you know, colors, pictures and like, like, like accents. Like you can tie almost anything together with that. And they'll be afraid of, you know, guy by like a sofa covering, you know, another thing, too, is back that tarnishes as you can. You can kind of go after people with pets, right? Like you can act specifically like if you like dogs but like dog friendly, you actually charge a little bit more for that too. Depends on who you are and how much of clean freak you are. But there's more money in that. You can get that going. Yeah. People want to bring their pets with them. Your cheaper is better cheaper bringing them pet than necessarily putting them in a kennel or something like that for a couple of weeks. People do game the system in the Airbnb, maybe not everywhere else, but you know, oh, it's a service dog, you can't charge me. But you know, it's one of these things you can try it or not try it. It depends on you, right? Cleaning is always going to be like, who cleans these units? Now, if it was you, right, and this is your house, you're going to always be the best cleaner. I urge people to probably start with that because it just came down this week. Airbnb, in an attempt to they call it, you know, transparency. They try to put out like, you know, what, what are they doing the trade or the HUD where they want to list all that, everything out before you press the button, even though they do it, they're just trying to make it a little bit more clear because people get that sticker shock when it's like 40% higher because they don't do math. Right. So the cleaning fees has been a big point of contention. And there's always this argument about like, how much is it really cost to clean? Well, if you're paying people, you're at their mercy. You clean it yourself. You know how long it takes. You can



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become more competitive by not having a cleaning. You're having a really low one and making it look like it's a profit center. Now, you know, everybody has their opinion about that. But if you were just starting out small, you should probably do clean the cleaning first and then before you farm it out, because you're at that cleaning person's mercy, too. And if they start charging you and it goes up and up and up, it eats into your profit. I'll give you an example of why cleaning fees can be so contentious. Right? People might want to, but I don't suggest anybody doing a one day booking ever because this is inviting a party or or an illicit transaction most of the time. And we won't go deep into that. But yeah, like there's, there's a lot of scheming things that go. I would a one day looking just like they were in a hotel. If you're charging \$34 a night on a bedroom, but it costs you \$75 to clean it. Typically, you're putting that as the cleaning fee. Right. Which sounds crazy, but it can be like that. Right. So who's going to book a room in a house and a shared space? When, after everything said and done, it's 150 bucks. Or they could just go to a hotel and have none of that problem. You see, I'm saying so the one day thing. One of the tricks is the price of one day so high that people just don't book it and then kind of do discounts the more days you build. But there's some work with that. But keep that in mind that, you know, you're not dealing with a hotel, but you have overhead, right? You have your electric bill, you have water, you have overhead. And \$34 a night you might just be breaking even in that cleaning feature set you over, but you're like, well, somebody's got to pay it. So I in the beginning, I made the mistake and I made it where I was doing that. And I was just like, I'm actually paying this person to stay on my property. I'm not doing that. I'd rather be empty. So you got to figure out where those numbers are. If you have to go and say, hey, my electric bills, 300 a month. So every day this place is open is \$30 or whatever, \$10 a day or whatever, electric and \$2 a day, water and whatever, gas and whatever, cleaning and like. Okay, just to break even, I got to get this now. Again, nobody wants empty days. And if you can get a break even, go for it. But don't that should never be your goal.

Joe:

Well, I wanted yeah I wanted to ask you about this because I've been seeing it in the in the news, people talking about it on Airbnb, about Airbnb. And like some people are not doing Airbnb anymore because they're tired of the sticker shock where it's 101 hundred bucks a night. But then when they get the bill, it's 40% higher because of fees and cleaning fees and taxes and stuff like that. And they're paying, you know, large watch, which feels like large cleaning fees. But then the owners are still asking the person staying there to take out the trash and put all of the sheets in the in the washing machine and, you know, start to load the dishwasher and start the dish. Like even though they're paying the cleaning fee, they're getting a huge long list of all the stuff they have to do before they leave. And they're like, You know what? It's not worth it. I'm just going to stay at a hotel room and not have to worry about any of that stuff. And it is stressful as you're trying to leave to go to the airport or go and you have to take care of all of this stuff. And so it seems like that's the pendulum



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has been swinging the other way, like people are thinking it's not worth the hassle. But how is it as an Airbnb host, how do you solve that? How do you fix that problem? You just start charging more per night?

Jason:

First of all, you know, there has to be there was there's very little customer education and they don't care. They started with air mattresses and they treat it like you should be happy if they keep people are trying to trying to compare Airbnb like the normal problem the customer that they attract now it's not like VBRO which was you go there for vacation rentals so you know you're going to a home. Airbnb diluted things in Maine. People just say, Well, it's like a hotel. No, it's not like a hotel. There's way, way, way more expenses for the owner than a hotel. They don't have economy of scale. And if you have no way of communicating that to a guest, like in your listing or whatever or the amenities like the different kind of amenities to match, they thinking why might Israel go to hotel? And you're right for one or two people, unless you really need quiet and you know, like saying during COVID you needed to be away from people. It's not a good deal. It's not a good deal for the host and it's not a good deal for the person that wants to book it. But they seem to think it is when you impose a mechanism for people to get access to better things, better experiences per square foot than a hotel. Now, if you want to go and be like, well, the hotel got a free pool and they got free towels and all that. Yeah, but you're still in this little box with no. And if you wanted that then you should have went there in the first place. Yeah. If it's a price point. So the price shoppers, it was not it turned it was a price shop. It started out as a price shopping network like, you know, cheap and great. But then the industry changed because it's like, well, now we have access to all this things. So you're really not if you have a studio, one or even two bedroom and a heavily populated, heavily, probably a heavy saturated area or a hotel is probably going to be better for a lot of reasons, especially for one or two people when it starts to make sense is for multiple people. Like when you have the I have a family of eight, it always makes sense for me because either I got to rent two hotel rooms or am I lucky if I can get them connected or I need to rent an Airbnb? And it's that simple. So there is marketing, there's there, there's marketing. And they're getting all these, you know, people that want to experience and. Luxury but don't want to pay it because that's their mindset. Airbnb is supposed to be cheap. They never took the time or educated the customer because they don't care to know this is not for you. And I used to do that through my communications when people were like, I'm trying to save you money. I would tell people like, hey, listen, if you want to get this place cheaper, like, say they wanted to book like 27 days. Here's the thing. In Philadelphia, let's say 27 days, you're going to get here with the hotel tax and a couple other taxes. When you go past the 31 day mark, it goes away. So you I would say, look, if you book three more days, you will get a discount. Why? That doesn't make sense. Well, guess what? You no longer have to pay these taxes because you don't qualify in the short term rentals. So now



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you get a savings. What do they do? Gave me more occupancy. I gave a better deal. I didn't have to cut my prices. So stuff like that, you got to know and think through when you're playing this game on a higher level. But getting back to the one person, one, you know, starting out, you know, scrappy, just trying to fill it out, do your own cleaning for a while and then find somebody you trust to do it after and pay them a decent wage. If it takes them an hour, pay them 20, 25 bucks. And then just that's the quote. You can put that as your cleaning fee. You don't ever want to get to a place where you're paying someone \$50 no matter what, and you only get one day of occupancy because then you're going to always be upside down. So you got to know, you've got to figure out where that sweet spot and then do everything you can to fill those days and, you know, try to keep that that a cleaning expense down unless, you know, be friends with a cleaner. I don't know what better way to say it or you know, just that's always going to be a point where people start to lose. And we're going to see that now in the market when they start posting those cleaning fees that anybody who was paying cleaners these flat, you know, these certain rates that were high. They're going to have to start going back to companies that do a per hour and they might have to start eating some of that. And they're going to have to start making their stays longer on purpose just to absorb that cost.

Joe: So you're saying Airbnb is starting to be more transparent on the cleaning fees and the service fees.

Jason: They just announced it due to what you just mentioned, like this week, literally four or five days ago, that they're going to basically give you this. It's not yet that it's going to start getting implemented. They're going to give you like this very easy to read thing before you can even press the book by. And that's what they say. And it was, you know, in that retaliation and answering to that big, you know, because social media is so smart and, you know, everybody they're all everybody knows better than you. The complaint, you know, to address that can play in a way where don't book if you can't fathom like this is going to be the end price. And when you're in this process of trying to book, if you want to sit there and argue with a host about it shouldn't cost as much. You might as well just go find someplace else.

Joe: I know. I totally agree, and I can understand that.

Jason: Forget it.

Joe: Yeah, I understand what you're talking about, because that's why we get Airbnbs is because I got family of six and I just don't want to stay in a big hotel room or try to find two hotel rooms next to each other. But there's this what you're talking about. I went to I looked in



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Philadelphia, and by the way, I should mention this, too, with all the talk that you're hearing of all the cities are getting strict on Airbnbs and it's getting harder and harder to do. That may be the case, but there are still a ton of really nice rental Airbnbs in Philadelphia. But I was just looking at. So as an example here though, this is a property I found, I don't remember where it's in the city somewhere. And this is now they're saying 195 times five nights cleaning fee, service fee, total before taxes. Is this what is new right here where they're showing this now?

Jason: I think it's going to be a little bit deeper than that. I mean, I think it might be almost to the point where if you pressed reserve, it might pop up again. They haven't implemented yet. It's still too new. Yeah. I mean, you know. Yeah, maybe see price details. So they're kind of making sure they're kind of making sure. And I will say I will mention, too, that what you're seeing there may go away January 3rd because of the regulations. So that's part of the fight. Like, they don't they don't the city wants to limit it to a specific zoning, which is CMX 3 CMX 3 if you don't live there. And CMX 3 is typically just apartments. There's no residences like this. They're just apartments. So you could might as well just be in a hotel again. So they don't realize how stupid they sound that they're basically going to. But the hotel people knew the people that lobby for the hotel. Now, it's just that politicians can't think past, you know, whoever pad their pocket the most. And of course, they're going to poo poo everything, too. They're like, well, where did all the Airbnb goers, all the nice stuff, idiots. You made it so that nobody could rent nice houses anymore or special, special accommodations because the zoning isn't there and you're not giving anybody any choice. Like you, you shut this down. Now you're complaining about it. We've been telling you forever because they don't think so. Anyway, that's.

Joe: That'll come. And that'll be probably a good thing. Like looking here and we got to wrap this up in about five, 10 minutes. But, you know, I'm just near here at Philadelphia. By the way, Philadelphia is a beautiful town.

Jason: I want to make sure I say two more things before we go for the person who's just starting. But go ahead.

Joe: Well, here in Philadelphia, I scroll down. There's a lot of properties here, nice ones, and there's 15 pages. So I don't know how many that is. So you're saying by the end of the year, in January that this is going to change?

Jason: Let me see. I'm going to see that area. Okay. You see that? The center of Philadelphia, you see that's 69. And so.



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Joe: I don't know what just happened there.

Jason: Okay. So you see that kind of orange section you're in? Yeah. You're literally going to only. But if what they those orange kind of things are about the only places you're ag, you're going to find any sort of Airbnbs because those are all the places where there's the chemistry and above sort of zoning. You're not going to find them anywhere else in the city because they don't exist. They're meant for buildings of a certain height. I want to say 40 feet and up units. I think it's got to be over eight. It can be as low as five units, but it's usually 18 up and generally they have sprinkler systems. So all that to say is anything you see that is not like that light orange. Yeah, that's all the places they're going to be anywhere outside of that. All the other cool spots where parks are not going to be there because unless you live in the property again, if you have a small mansion and you can cut it in half or you can do it that way, but you have to actually be living there. It's got to be under your name. It can't be some corporation, entity, anything like that. It's got to add up with you and your name and you got to live there a certain amount of time of the year. That's what they're about. They're trying to enforce now that we're fighting. So and there's flavors of that other places. But I know you got to wrap up. Let me know.

Joe: What are the things you're going to say? The two things.

Jason: No keys, only get smart locks. Why? A million reasons. But specifically, because you don't ever want people like this having keys to a house. So get smart locks, use codes, and when they get out of hand, you change codes. You don't have to sit there and you can. I got to get the cops to get you out of here. Now, the minute you walk out the door, I'm changing codes. Now, you're going to have to prove that you belong here. To that end, even get rid of mailboxes. Don't let them get mail there. None of that stuff, always really vet people and see that they live somewhere else, that they're not somebody from. Like we hated locals. We don't rent to locals unless you came through a real estate agent that said, hey, we're in, we're in escrow. The house isn't ready for another month. They got to get out of this lease. Can we have your place, that kind of stuff? Yes, but definitely do due diligence on that. Always check for those IDs, make sure it's a good one.

Joe: Don't you? Don't rent to locals. That's interesting.

Jason: I know, not in Philly. Even didn't like renting to New York and New Jersey because they pull the same stuff. Right. So, you know, Florida, great. You've got another place to go from here. You're too close to me. You're just looking for it. You're just looking for your next place to crash for a while, for free. The analysis, I mean, you can kind of just do what you just did and kind of see what nightly rates are. That's different. I'm going to say something



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that is probably controversial, but do it. Your first five reviews on Airbnb are very important. If I were you, I would put my settings to no more than seven days in the beginning and limit them out three months. And then you go find people to go that you know, to go rent your place for one night or two nights go. And you want them to go in just to basically beat it up. Tell me all the things that are wrong and give you a good review. Now why you when you average five reviews, first of all, it looks good. Looks like you've been in business awhile. And second, they automatically start marketing you on your behalf. Some people feel some kind of way about that. I'll be honest with you, I don't, because that's their system of they created that system. They set up those hurdles. I understand I was supposed to be for the good, but put out a good product and do the right thing, obviously. But if you go out there and you haven't tested out your you know, if you can't stay in the place yourself, you might not know like the shower doesn't drain or stuff like that. You rather have that happen to friends of yours and then they tell you and you can fix it, then get slammed in a review and then your first three reviews are odd stuff. You could have fixed it, see what it did, what I just said. And now you got to start all over again, get a new account, go through all the hoops again. I would say, unfortunately, pad your first five reviews with people that you know or anybody you know is going to give you a decent review or a chance to make it up. And after that, you know the right thing. Don't be a scumbag, don't do it with a junker place and just do it, you know, to see what you can do because you will get knocked off the platform pretty quickly. But I do that as a what do you call it? I call it a training wheels for going live, because you're going to discover in there all these little mistakes that happen that you don't want to do on somebody who doesn't know you. Because to them, it's. It's. What do you call it? DEFCON five. When they do when you do it to somebody that doesn't know you, you know what I mean? With your friends, you can fix it. You can get it right. You can give them the money back. Or you can call it when you give it to them as a gift. Point is, don't let anybody book more than seven days straight from your day out the gate, because if anything goes wrong, they booked a month and you're all happy. Like if something goes wrong and day five, your whole month is gone, they're going to give them all their money back. You just screwed your whole month and you don't have a review to show for it or you have a bad one. So now what? So you don't do the long stays and the first five reviews. Turn that off. Don't get happy about it. You need those first five reviews as soon as possible or you're going to get stuck as soon as Airbnb, like you're no longer new on there. They don't give you the SEO boost, like you'll just be screwed and you're like, Well, don't get any more bookings because you didn't play it the right way, so that was it. I want to make sure I said that.

Joe: What other, do you have any? We got a few more minutes here too. What other advice do you have for people wanting to get into more Airbnb?



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Jason: Okay, so the attitude of hospitality, if you are a, you don't like people, you have low patience, find a partner. Maybe that's your wife and you don't want to be the guy talking to the people. Like find that person and talk to them. Because the minute you talk to them kind of funny, you're a racist point blank and it doesn't even matter if it was mean. You're doing it to each other. Yeah, that's the first card before they just find a way. So there's that the, it's the sharing economy. And I think the reason why Airbnb is getting a lot of pushback now is because the sharing economy was built, you know, Americans in other countries and being mean and I getting this pushback because they get hospitality and sharing Americans are inherently me first and selfish. What can I get the most out of? And that includes the guests, the hosts, the cleaning companies and all the service people around it. Everybody's working. I hear there's money in here. I need my piece. It's just. Unfortunately, it's our culture. Other countries do get it and it's not the attitude you get out there. So they're not having this pushback. So what's changed is the host attitude. And to be fair, you know, vice versa, everybody else. So the value proposition and, you know, the culture has got to change around it. The neighborhoods, the same thing. Me first, the government, where's my money? So until it gets back to the sharing economy and being a good host and really having the right heart for it and the gratitude attitude, so to speak, it's going to be a hard fit in America. You know, you'll still have your log cabins in your treehouses and all your other cool stuff where people are, you know, they get that and they want to share that at any cost because it gives them pleasure to do so. But until we get these other me first, let me get my money while I can. And this is everybody across the board. We're going to keep getting this pushback until it either breaks or something else develops, which is actually is what's happening. But, you know, until then, we're just going to be hearing a bunch of complaining and that's it. That's my that's my take on why this is starting to get such push backs, especially them, you know.

Joe: Okay. All right. Joe McCall, dot com slash Centeno. And if you go there, you're going to be taken to a site. Oh, I just had it open. Where did it go? Let's just go to right now. I'm going to share my screen with you all. I want to show you this really cool spreadsheet that you're going to get. All right. I'm going to share my screen here. You're going to get this tab. You guys see that? Cool. Let me make a little figure phone. There you go. All right. And then if you scroll down, you're going to get this resource list and you click this and walk through this spreadsheet real quick. When people get this, it's view only. So if you want to add this to your Google doc, you go to file, make a copy or download it as a spreadsheet. But talk about Jason what this is this, why did you build this and what are all the columns about and stuff?

Jason: So yeah, so I try to update this occasionally some of this stuff of change like guess the pro and guest the guest, he kind of absorbed another one, but these were like a lot of the sort



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of tools that you may need over time, especially if you go with more than two Airbnbs, you know, definitely you're going to need a pricing software. You're going to want to want, you know, finding cleaners. You have those options in there. It's like kind of like, you know, you have your Rolodex of contractors. If you have a house, you know, you got your siding guy or roofing guy or concrete guy. And this is all sort of which you can choose from, depending on what your like go down a little bit. Right? I'm going to show you something now. I'm sorry. Up, up, up, up, up. Right about there. Okay. So these are all sites that you could create your own personal booking website, which I highly recommend for everybody. So you don't have to rely only on Airbnb. When you get on Airbnb, you already paid for this customer and you paid a pretty price. So you know, what do you pay per lead rate, Joe? Like, hey, it's \$9 pretty awesome in your real estate. Oh, \$100 for that's okay. But you know, you're doing higher end transactions. So, you know, once you get that customer's information, you should do everything in your power to get them off of that platform. You get their email, your their, their phone number, and you start getting them to be a direct booking customer because it's a way better experience if you can deal with the person directly and you already tested out how they are. So if you want that customer again, you get them into one of these.

Joe: So yeah.

Jason: Now you can make your own site. And what's cool there is there's in the marketplace, the Wix is like you can make your own websites kind of like what you just saw, what I did with Canva and you know, I would say go through these and you know, those are the costs of it. Fast days is like I know the guy does that. That's like if you're like LGBTQ and you want to do that, you want to just focus on people that are inclusive in your head. All the stories we have about being discriminated against in some way. Well, you know what? There's something for you there, too. So you can do one of those, right? Smart tools like, you know, you're not allowed to put are not allowed to put cameras inside your property, supposedly, you know, even if you've got any cams on now, which I kind of get, but I kind of don't get because if I'm running my million dollar mansion and I have a teddy bear camera to keep the nanny from doing something, I'm not going to just go clean out all the cameras in my house. You're coming to stay. So whatever. That's another argument for another time. But these are all kind of tools to that you might want to check out, too. Like, I'll give you an idea. I mean, it is cool because it's like the thing you put in your ceiling, but instead of being a camera, monitors like how many wifis are tapped in and noise levels and things like that. So you can tell if there's a party going out without having cameras because you have all this data and you can warn them. And some of these are having to do with like how do people get keys? I say never give people keys, but sometimes you have to give them gate keys and other kind of keys. So, you know, depending on where your property is, party scratchers is



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a version of the thing with it turns off the wifi or just it monitors wifi. So I would just go through and kind of look through all of them, Buzzed Services. If you're in apartment buildings and you kind of want people that if you have people have to get buzzed in, this will eliminate the buzzing part two out of the equation. So there's all these things in it. And I updated it at times. Like I see Buzz Jarvis Link is not there, I got to put it in, but at least you know what it is. If you need to look it up.

Joe: Yeah, Google it.

Jason: Accounting, yeah, insurance that you're going to go through some fun with that. Everybody has different opinions. I would go into whatever group you like, Facebook group you might have attached to and start asking for recommendations. But if you didn't go to any Facebook group and you were looking for this kind of stuff, it's all kind of right here for you to start poking around and save yourself hours on Google, you know what I mean?

Joe: So yeah. And you can do background checks, electronic signatures.

Jason: Yeah. I mean, you know, how much of that you wanna spend your time doing is up to you. But yeah, yeah. So that's what that is. It's kind of just like a habit thing. Click on them and see if it's going to work for you. And, you know, take what you can use and leave the rest, you know what I mean? And, you know, make a copy of it. You can dump the stuff you hate and keep the stuff you love, you know? I mean, you know, yeah, do what you do. That's what I did. I took it from somewhere else and I added to it and redid it the way and you know, so on and so on. So hopefully they be valuable to you too.

Joe: It is. And you can get that spreadsheet to Joe McCall dot com slash Centeno. C E N T like "cent" E N O. Centeno. Cool. All right, Jason, it's been a pleasure having you on the show. Really appreciate you. If somebody just wants to get more information about you or follow you as their social platform, you you're more spend more time on probably Facebook.

Jason: If you look up the dad next door, either that or the underscore after, you're going to find me personally. And, you know, I don't know if you see around me, but I got all these cartoon characters. So just look for the cartoon icon. That's the way I stay immortal, by the way. My hair never changes and I always look young. And then, you know, the Trashmitter stuff, it would be like the business stuff. But yeah, that was sort of off of being a host and trying to solve some of these problems. So there you go.



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- Joe:** Well, good man. I appreciate you being a voice for the industry, too, you know, just in a small way, at least in Philadelphia and now maybe a little more national. There are good Airbnb hosts out there and you're one of them. So thank you, Jason.
- Jason:** Thank you. Thank you. And I appreciate you for having me on because I know that I had you in case you guys want to get on this, understand something. You have to go through a little bit of a gantlet. Joe's not having people on here trying to self-promote, so you're going to come with some value and wisdom here. So that's why we came up with this game of what if we had to start from zero and get you to one? And I really I hope that this takes you from if you can go back and get the points from 0 to 1, that's what you really need to get to. And then you can decide from there if you want to go up or down. But that 0 to 1, of course, is the trickiest part. And hopefully I gave you some tips on how you could just do it with your own house even, you know. So yeah.
- Joe:** That was helpful. Very, very. Thank you very much, Jason. We'll see you guys later. Thank you, Jason. Bye bye, everybody.
- Jason:** Thank you.